

RYBAT

VIA: AIR  
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. HGG-A-696

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

CLASSIFICATION

2003

TO: Lincoln

DATE: FEB 3 1954

FROM: Chief of Station, Guatemala [ ]

INFO: Washington

SUBJECT: GENERAL— PBSUCCESS

SPECIFIC— Reporting of Current Developments to Lincoln -  
Running Memoranda

Reference: HGG-A-683, HGG-A-697

1. Attached for Lincoln and Headquarters is the second in the series of running memoranda being prepared and forwarded by this station. It is composed of information submitted by various members of the Guatemalan station and each report bears the initials (in pseudonym) of the contributor and his evaluation of the material at the time it was dictated.
2. The identity of sources indicated in the memorandum follows by separate dispatch.

[ Clara M. Heagey ]

Enclosure:  
Running memorandum

2 February 1954

CMH

Distribution:  
2-Linc/w att  
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FEB 5 Rec'd

MEMORANDUM

27 January 1954

1. On the evening of 26 January, (1954) Identity 1 stated he had been told by high-ranking Guatemalan Army officers that Colonel Enrique ~~PARRINELLO~~ de Leon, Army Chief of Staff, is not only opposed to Communism but has a deep-rooted hatred of it. Colonel PARRINELLO said that even though he has no use for President ARBENZ and hates his Communist leanings he refuses to resign his post of Army Chief of Staff because he wants to be on the scene when ARBENZ' government falls to the opposition.

Evaluation: C-3

C.E.B.

2. On the evening of 25 January, (1954) Identity 2 advised he had been told by several members of the Partido Guatemalteco del Trabajo (PGT-Communist) that the Communists are anxiously attempting to stir up some form of violence in order that the government authorities will have an excuse to retaliate by publicly announcing that the government had been attacked and that in order to insure its future the government is forced to declare the country under martial law.

Evaluation: F-2

C.E.B.

Comment: On the following evening Identity 1 related substantially the same information. It was the latter's belief that the government seeks an excuse to suspend all guarantees in order to muzzle the Guatemalan press.

C.E.B.

3. On the morning of 27 January 1954 Identity 3 advised that he had received a report from a caller at his office to the effect that Oscar ~~CONDE~~, owner of Radio station known as Radio Universal, had been arrested on the night of 26 January. CONDE carries a news program on his station known as Radio Sucesos. Identity 3 said that he would inquire into this through members of the local press.

Evaluation: F-6

K.S.G.

28 January 1954

4. On 24 January 1954 a fire destroyed a section of the municipal marketplace located at 18th Street in Guatemala City. The stands and stores of many small, independent vendors were completely destroyed and, according to the press, damages are estimated at \$100,000 plus. According to Identity 4, who was at the scene during and after the height of the fire, many of the burned out proprietors are convinced that the fire was started by the government and/or Communists because the market people as a group have been militantly anti-government and anti-Commur

Evaluation: C-3

Comment: The fire and its consequent hardships have been headline

in the local press, but there has been no mention of the possibility that the fire was staged as indicated above. However, the militant opposition of the market people is a fact and it is entirely possible that they would blame the government and/or the Communists as stated by source.

G.L.T.

5. On 27 January 1954 Identity 5 reported that the following rumor is circulating regarding the recent sudden departure of Alfonso MARTINEZ, head of the National Agrarian Department.

MARTINEZ reportedly left Guatemala at the indirect request of President ARBENZ. After visiting Escuintla to investigate illegal invasions of non-affectable lands by Communist-inspired campesinos, MARTINEZ returned to the capital to discuss the situation with ARBENZ. He claimed that PELLECEER was seeking to have him killed and demanded sufficient presidential support to insure an orderly application of the agrarian law. ARBENZ reportedly replied that he knew there was not room in Guatemala for both PELLECEER and MARTINEZ. He pointedly added that PELLECEER had been very helpful in supporting the government. When MARTINEZ left the President's office he was intercepted in the hallway by an official who informed him that his passport was ready. MARTINEZ took the hint and left the country, but it is believed he will not be so easily deposed and will seek revenge against ARBENZ for failing to support him. The rumor did not include speculation as to the possible steps MARTINEZ would take to retaliate against ARBENZ.

Evaluation: B-3

G.L.T.

6. On 27 January 1954 Identity 6 cited a report from sources he considers reliable that there is increasing animosity between Carlos Enrique DIAZ, Chief of the Armed Forces, and President ARBENZ.\* Identity 6's unidentified sources claim that DIAZ has approached Rogelio CRUZ Wer, head of the Guardia Civil, to seek his support in an attempt to seize power. It is not known how CRUZ Wer reacted to the proposal, but it is alleged that CRUZ Wer has not reported the matter to ARBENZ.

Evaluation: Immediate source: C; Ultimate source: F; Content: 3.

\*Note: DIAZ has been previously reported as being dissatisfied because ARBENZ was cool toward his presidential aspirations.

G.L.T.

29 January 1954

7. On 27 January 1954 Identity 7 reported a conversation with Identity 8 who reportedly made the following statements: The arrest and detention of Major Enrique OLIVA and other oppositionists were based on unfounded denunciations and imaginary plots reported to the government by Army G-2, Guardia Civil agents, and intelligence units of the Guardia Judicial. OLIVA has neither the prestige within the army nor sufficient intelligence and courage to direct a subversive armed movement against the government. The police hoped that they could torture and threaten some of their victims into confessing details and identities involved in a plot that actually did not exist. The net result of this new series of arrests will be a loss of hope and the disintegration of opposition forces. However, it is well to remember that many Army officers who are now ostensibly in favor of the present government in order to retain their jobs are actually opposed to present trends. (Identity 8 implied that such officers will desert Arbenz at the first sign of effective opposition).  
(Evaluation: Immediate source: C; Ultimate source: F; Content: 3).

G.L.T.

1 February 1954

8. On the morning of 1 February 1954 Identity 9 advised that he has heard three different reactions stemming from the current publicity by the Guatemalan government to an alleged plot to overthrow the government. One reaction, which originated within business groups in Guatemala City, was to the effect that the thinking Guatemalan public considers the plot a complete fake and forgery by the government; that the documents, photographs of which appeared in all leading papers, were fakes and that the government is trying to stir up excitement in order to take the limelight off itself during the forthcoming Caracas Conference.

The same identity stated that a second reaction, reportedly stemming from the upper social levels in Guatemala, is to the effect that the present Guatemalan regime is completely weakened and that it is using the pretext of having uncovered a plot for employing the use of violence in the event the occasion justifies violence. The identity stated if this is true the effect is adverse and the upper social strata is hoping that the government will dissolve itself immediately.

A third reaction, according to the same source, stemmed from opposition elements in Guatemala City. Those opposition members are of the opinion that the anti-Communist movement has obtained more importance than they realize; that they are better than they thought and daily taking courage from the apparent nervousness of the Arbenz regime.

Evaluation: B-3)

C.E.B.